

Study On The Relationship Between Venture Capital Governance Behavior And New Venture Performance Based On Structural Equation Model

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ABSTRACT: *It focuses on the relationship between governance activities of venture capital (VC) and performance of new venture enterprise (NE). The governance activities of VC are firstly divided into two categories as value protection and value creation. Then it constructs a structural equation model and analyzes the mediating effect of internal control system completeness and managerial discretion on the relationship between governance activities of VC and performance of NE. Through the empirical validation on the 149 samples, it concludes that value protection and value creation governance activities have played a catalytic role on the performance of NE, but their contents and paths differ. The former shows bottom-up indirect effect on the performance through the internal control system while the latter shows top-down indirect effect through managerial discretion. What's more, the value creation governance activities play a stronger role in promoting. It responds to the debate on governance activities of VC and performance of NE, verifies the complete mediating effect of mediating variables, and reveals the path between governance activities of VC and performance of NE.*

KEYWORDS: *venture capital; governance activity; new venture enterprise; performance*

I. INTRODUCTION

With the establishment of the mode of economic growth to innovation and entrepreneurship as the main characteristics of the new ventures (new venture, enterprise, NE) importance of the survival and growth of economic development has been a consensus in the theory field. New ventures are different will have different growth results, which caused the academic circles for new ventures attention growth. New ventures compared to the mature enterprise has its own particularity. One important characteristic is in a lot of new venture growth process are introduced in venture capital (venture capital, VC). In addition other than strategy, ability, technical innovation, leadership and other common factors affecting enterprise performance, an important factor in the growth of venture capital is also affecting the performance of new ventures.

It is generally believed that the venture investment and venture enterprise cooperation rather than unilateral power to achieve the ultra conventional growth. The cooperation between the two sides need appropriate governance, relations between the two sides of the governance model has become an important factor in the development of new enterprises. The governance of venture capital may help start-ups get high-speed growth, too may limit the development of new enterprises such as. Amit [1] pointed out that the new venture success usually need venture capital to take appropriate management behavior on the new venture. So, for those who accept the venture capital business start-ups, venture capital for new ventures adopt governance action injection ratio of venture capital itself is more important, the proper management is necessary the success of these ventures conditions [2]. Although venture capital to adopt what kind of governance for the importance of the new venture growth performance has been the theoretical and practical circles consensus, but apart from a few articles [3], previous study or discussion and verification of the theory can better predict the venture capital for start-up enterprises governance behavior, or direct inspection of venture capital value-added services to the new the impact of corporate performance. Research status of the study on governance relationship between venture capital and new venture is still in the initial stage.

Previous research has 3 obvious shortcomings: the relationship between the corporate governance of venture capital and entrepreneurial firms did not receive sufficient attention; the study of venture investment management behavior of no and the growth of new ventures performance linked; lack of on the governance behavior influence the intrinsic mechanism which the enterprise grows more in-depth theoretical analysis and test data. In this context, this study attempts to construct a mediation model between governance and new venture investment performance, to reveal the mechanism of governance behavior affects new venture performance. Firstly, the distinction between two types of different governance behavior: the value of protection (value protection) and value creation (value creation). At the same time, the internal control system and completeness of management team is introduced between two kinds of behaviors and new venture performance management degree of freedom two intermediary variables. This study suggests that governance is not a direct impact on enterprise performance, but by the final performance management of the internal control system of the completeness and freedom of the two variables indirectly influence the enterprise, but also influence the governance different behaviors of the two intermediary variables is not exactly the same.

Theoretical background and research hypothesis

Theoretical background : Study on the relationship between the existing governance about venture capital and new venture, rely mainly on the principal-agent theory, resource dependence theory and stewardship theory. The principal agent theory is the mainstream theory of the theory of corporate governance, so researchers naturally follows this theory of venture capital and new business management focus on the relationship of. Barney and [4] in their seminal in the work presented high agency risk and business risk makes the development of venture capital in a precise set of governance structure to monitor the new venture. After that, Sapienza, [5], Gabriellson and Huse[6] have taken the principal agent theory, and emphasize the monitoring of venture capital for new ventures. New ventures is itself a variety of unique resources together to achieve a business opportunity process [7]. therefore, research perspective is applied to new ventures rely on resource has a unique advantage. Harrison and Mason [8] will take the lead in the analysis of venture capital function for resource theory, the main function of venture capital is put forward try to give new ventures provide make it closer to the success. Later, Steffensen [9] and Daily [10] have stressed the importance of venture investment and provide resources role. Ginsberg[11] argues that venture capital is through information advice and cognitive ability to improve business decision complexity, creativity and coordination. In this sense, venture capital for new venture's contribution is to reduce the enterprise in the aspects of resource control, strategy and external resources and communication of uncertainty and cost [12].

Stewardship theory will managers as a collective behavior contributive person housekeeper, rather than the full economic agent theory on the assumption of self interested agents [13]. in organizational and individual interests conflict, managers tend to protect the interest of organization [14]. and agency theory attention monitoring, stewardship theory is concerned with how the governance structure able to exercise power in favor of CEO better. Stewardship theory scholars tried to explain the relationship between the governance of venture capital and new venture, is because the founder and principal agent of managers are not exactly the same. They are beyond money emotion to create new enterprises, more enterprises from the overall interests, rather than personal interests starting on the decision. In understanding the governance behavior of venture capital for new ventures, should take the view of integration.

Division of management behavior : Some scholars have observed in the process of venture capital for new ventures to intervene, there are two kinds of behavior. And other institutional investors consistent behavior, supervision of enterprises agent behavior. Because venture investment is active investors, they to monitor the behavior of invested enterprises than the average investor frequent. On display in the 49 American venture capitalists survey data, they are not directly involved in the invested enterprise daily management, will spend half of the time used to monitor 9 home investment enterprises, an annual average of directors in each of the enterprises to spend 80 hours to enterprise site and 30 hours of telephone communication [15]. value added services. Venture investment in terms of governance particularity behave not only for monitoring the higher frequency, but also take most institutional investors will not take the value-added services. Bygrave and Timmons[16] think that venture capital investment is a value-added service provided investors. Including the usual form of venture capital investment

enterprises: they play a positive role in the board of directors in service to new ventures; leadership Council consisting of suppliers and customers; introduction; help execute strategy Transaction [15, 17-19]. Large and Muegge [20] are thought to help venture capital for enterprises can be divided into the internal and external two aspects, including recruitment, incentive, guidance, strategy, consultation and operation of the. Research and observation based on past, entrepreneurship intervention investment on new ventures is divided into two kinds of Governance: the value protection and value creation. This classification and Wijbenga [3] proposed the monitoring activities of venture capital is mainly aimed at the protection value, and value-added services is around the value creating views are consistent. This division actually based on integration perspective this study adopted. Agency theory pays attention to the conflict of interest between investors and entrepreneurs, and investors how to effectively monitor the entrepreneur; while the resource theory pays more attention to investor how to use their resources to help the new venture growth. Stewardship theory has made the annotation for venture capitalists to enterprises beyond the traditional investment decision-making behavior. For startups, because entrepreneurs get beyond the monetary utility from business success, so they are often in conflict with personal interests and the interests of enterprises, to sacrifice one's personal interests. This non selfish behavior, is one of the reasons why the venture capitalist value creating activities. Past research tends to emphasize the above 3 theories in one, but in taking integration theory Angle basis, carries on the division to the two types of governance of venture capital, is the basis of research on the governance behavior and new venture performance.

Gompers [21] also found that investors consider the cost factor, regularly check the status of the project and the termination of the investment to generate returns project. At the same time, venture investment is a new creation and the lack of experience in management and marketing enterprises, they can with a wealth of experience to provide useful advice. The classification and some domestic scholars will venture capital management behavior into monitoring behavior of [22] and value added service behavior of [23] views are consistent.

Research hypothesis : In the preceding discussion, we will control behavior into value protection and value creation in two class, two class management behavior as two modes of venture investment in the practice of new enterprises governance, there may be some relationship. Although a few researchers pay attention to the behavior of the relationship, but most of the research staff are two kinds of governance behavior separated, even if sometimes tied up, often ignore the inherent relationship between them. This paper argues that the value creation and value between protection two governance behavior, there may be a substitute. The reasons are as follows:

1) Theoretical perspective. Venture capital and make value protection act, often from the perspective of agency theory, or the expected capital investment to the principal-agent problem more strongly, opportunism behavior tendency agent of the expected strong [1], this time, the stewardship theory is precisely when weaker when venture capital to create value. Governance, management theory has played an important role. In fact, entrepreneurs in venture capital to enter, still maintained a strong sense of belonging to the new ventures and psychologically with [24]. at this time, new ventures is thought to be the client interest driven housekeeper [13], or expected to venture capital for start-up enterprise manager identity is strong, but this time, the principal-agent theory is relatively weak. From the point of view of two kinds of theory, principal-agent problem and stewardship theory is the substitution relationship to some extent. At one point, the entrusted investment, need to make for a trustee of the basic judge: if is the steward identity more agent identity, will use more help and support, and We should reduce the regulation and control behavior; if the agent identity and housekeeper identity less, will be used to monitor and control the behavior of more, and less protection and support. Then, the value protection and value creation management behavior showed a negative correlation. Of course, when venture capital to create value governance behavior, also from resource dependence theory perspective, but not to consider from the perspective of stewardship theory, so the value of protecting and creating negative correlation is not entirely negative correlation, replacement is not absolute alternative both, but a relative instead.

2) Energy. Any venture capital's energy is limited to [25], although a lot of venture investment will actively make governance behavior to some new ventures, but governance behavior occurrence frequency will also change over time, but also for the same venture to say, the intervention of new venture's energy is limited and when a governance behavior to use more time, will certainly affect the another kind of management behavior, even when the two venture capital governance behavior are higher than other investment using frequency, but on its own terms, two kinds of governance behavior there is a reciprocal condition. Based on the above discussion, the following hypothesis.

H1 Venture investment value protection and value creation management behavior has mutual substitution effect. The use of venture capital value protection behavior and price of a reinforcement of venture capital for new ventures to influence and control and the establishment of rules is the way of the internal control system. The control system may strengthen the venture capital as the enterprise advantageous importance and author. At the same time, the control system can also help the venture capital organization participants run in confirmation the common rules and regulations, and the rules and regulations can maximize benefits. In theory, control system appropriate to implement strategy of [26], improve the efficiency and the effect, operating activities reduce operating errors, improve the learning ability and the control of corruption behavior of [27], so as to increase the enterprise value. The new enterprises in China, the internal control system in reducing the internal agent cost plays a role of [28]. is more important at present, from the same industry competition and policy at home and abroad are uncertain and predictable regulatory environment makes the information processing becomes more complex [29]. and complex environment increases the degree of information asymmetry, so the principal-agent problem within the enterprise is more serious. In order to reduce agency cost, new enterprises will be more On control means complex to monitor the performance of the employees, the goal and the energy consistent steering and the organization's environment, so as to improve the enterprise performance [30]. value creating governance behavior has mutual substitution effect

Since the initial stages of new ventures in the growth process of the enterprise, and therefore investment control in the control system can help the new venture more effective operation of [31]. venture capital is completed by value protection behavior for new ventures intervention of the control system, and the value of protection act is to make the control system of new ventures more efficient operation. Based on the above discussion, put forward the following hypothesis. H2 Venture capital for start-up enterprise value protection behavior positively influence the internal control system of new ventures completeness. H3 The internal control system of new ventures completeness positive impact on new venture performance.

The team theory, the freedom of management team is a very important problem. The scope and range management freedom team represents the senior team selection and decision making, including the development strategy of organization structure, company executive decision, technology reform implementation of [32-33]. need to be clear that the management of free here refers to the size of the more space executive team selection, and not on the choice behavior of its limitations, is the freedom of management on enterprise performance management degrees of freedom [34]. a perception analysis has attracted continuous attention in academic circles. However, the relationship between executive management team of freedom and the corporate performance still exist many arguments [35]. early in the study, mostly because of the principal-agent perspective, that the freedom of management and enterprise performance management team negative correlation, because when the executive team when faced with more choices, they will be out of their own interest to choose, sometimes damaging shareholder and corporate interests. But as research continues, some economists after the Fama was found in the enterprise in the market circumstances, the freedom of management is not always harm the company shareholders Interests. Boycko [36] found in the analysis of the freedom of management problems in state-owned enterprises, because the manager to pay more attention to business performance than politicians, and thus under the background of state-owned enterprise management degrees of freedom and the corporate performance are positively related to. Finkelstein and Boyd [37] found evidence of the freedom of management and the matching degree of Science reward will affect the company's performance, which are equivalent in other conditions case, when the executive compensation and the freedom of management level matching degree is high, company performance is better. Chang and Wong [38] with Chinese enterprise data to verify if the management objectives and corporate performance are highly fit, the freedom of management is a positive business performance .

Keegan and Kabanoff[39] to verify if the managers have a strong management ability, management freedom of enterprise performance has the very important influence. Yan [40] argued that because managers need to cultivate important development space to change the organizational structure, creating higher customer value and improve service quality, therefore the freedom of management is a positive influence on Enterprise Performance according to. Zhao[41] in the keen market competition environment, management the degree of freedom is affecting enterprise performance positively and new ventures in fact. Generally in the fierce competition environment.

For the new venture, the team management degree of freedom is an important factor affecting the growth performance of enterprises, but also the freedom of management and new venture growth performance are positively related. Compared with venture capital, top management team to know more about the new venture, so the top management team needs to maintain the larger the freedom of management, have more choices of space and room to the maximum possible to make a correct decision for the enterprise, reduce the probability of error decision, at the same time, to maintain a certain degree of freedom for the senior team management incentive has a positive effect. And new ventures in the top management team is basically the entrepreneurial team, they have deep feelings of enterprises, the success of the enterprise is not only the economic interests implementation issues, but also in relation to their reputation and a sense of achievement. This focus on enterprise performance and state-owned enterprise top management team is very similar, so between the freedom of management and new venture performance they should be a positive contact. If the manager has only a small action choices, so it is possible for them to waste a lot of important resource management [37]. venture capital for new ventures executive team degrees of freedom Through value creation management behavior. Venture capital by value creation management behavior, provides more opportunities for new ventures, executive team resources and network to choose from, improve their management degrees of freedom, so that they have more choices when making decisions for the management. The more freedom also obey the stewardship theory perspective. Donaldson and Davis[42] argue that because CEO is a housekeeping role, so the company's governance structure should give them more decision-making on the degrees of freedom. Discussed above, the following hypothesis.

H4 The value of venture capital for new ventures to create governance behavior positive impact on new venture enterprise management degree of freedom.

H5 New enterprise management freedom positive impact on new venture performance.

According to the research hypothesis, set the research model as shown in Figure 1.

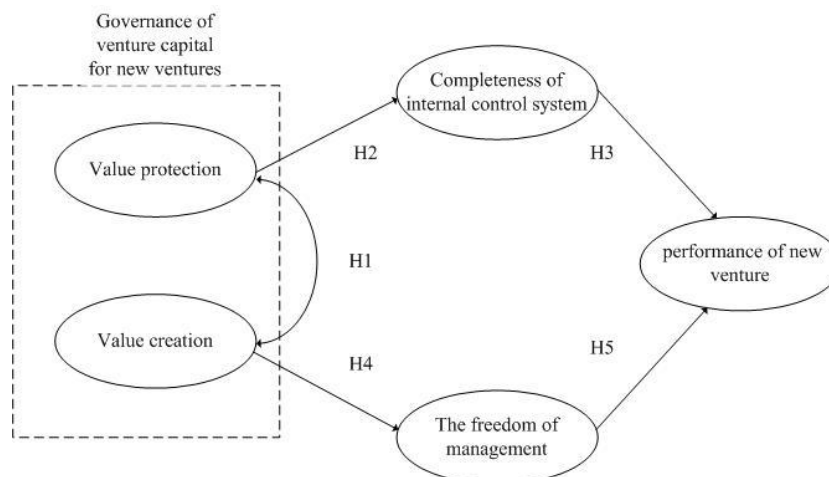


Fig. 1 Research model

II. MEASUREMENT AND DATA

Variable measurement

The theoretical model includes 1 variables, 2 variables, 2 intermediary variables. This paper adopts 7 grade Likert scale to measure and determine each level represents the degree to measure the specific content.

The dependent variable : For measuring the performance of new venture, the measurement method of venture capital and new venture performance standard between De Clercq and Sapienza[43] in the literature [the use of satisfaction. Including multi Standard Performance: sales revenue, market share, total profit, return on investment, new product development and market development, a total of 6 standard in the verification of venture investment. Relevant assumptions on new venture management behavior on performance of new ventures, new venture performance meets the requirements of sampling by venture capital for the evaluation.

The independent variable : Measurement for the value protection and value creation two governance behavior, later published Wijbenja [3] scale more absorbed the research related to the front, according to scholars for the value-added activities and regulatory activities listed, create their own scale. On the basis of finishing. The value of the protection activities include: matching financial supervision, strategy evaluation, operation supervision and evaluation of products and markets; value creation activities include: help hiring managers and help enterprises to coordinate external relationship, help the products into the market, the company's help, and introduces the financial cooperation and offer advice and suggestions.

The intermediary variable : Fan Xingjian [40] should be considered from asset protection, to prevent fraud system, cost control, financial information justice and employee behavior compliance 5 aspects to measure internal control system. Wen Donghua [28] to the control system control functions from the procedural compliance, formal, documented procedures, reporting system, regularly discuss 5 aspects of measurement the recommendations of the [44], and fan Xingjian is close to the internal control system. For the completeness of the intermediary variables, the Wen Donghua [28] scale, and sort them according to the fan Xingjian [44] advice: staff always Zun Shoucheng order; the asset protection through control and complex information systems, to ensure financial information to reflect the business state all the staff; the working procedures and regulations form a written document; the functional departments of internal often set up various task force to discuss cost control problem; it has a perfect reporting system.Chang and Wong[38] from the angle of psychology, the scene simulation (scenario), and according to the scene set 59 problems are used to test subjects management degrees of freedom.Zhao [41] will be the 59 problems are classified, that can be divided into strategic aspects of the degrees of freedom and the freedom of operation between two classes of.Harrison [45] in the study of Chinese management freedom township enterprises degree thesis, that for Chinese enterprises, personnel rights of freedom for managers is very important. Considering the actual situation of Chinese enterprises, this paper Zhao [41] and Harrison [45], respectively, from the strategic, operational, personnel arrangements and other aspects for measurement of variables the freedom of management. This division and Montanari[32], Takeuchi[33] such that the freedom of management into the organizational structure of the Executive (personnel), the company's development strategy decisions (strategy) and technological change execution (operation) thought the more fit. For a detailed description of scale items in Table 1 all concepts are selected maturity scale measurements.

Tab. 1 Illustration for citation of related testing items of conception

Concept	Scale source	Measuring index number	Index code
value protection (PRO)	reference[3]	4	P1—4
value creation (CRE)	reference[3]	6	A1—6
performance of new venture (PER)	reference[43]	6	PER1—6
complete internal control system (CON)	reference[23]	5	C1—5
freedom of management (DIS)	reference[41、45]	3	D1—3

Data collection : Research on reference of existing, the chosen sample points. For venture investment institution choice, this article is the study of formal through the professional risk investment to fund of venture capital institutions rather than informal angel investor; for new ventures of choice, the investment is 1 years (including 1 years), years (including 5 years) has not yet been IPO, set up time is not more than 8 years of independent entrepreneurs. To define the new venture set up time, most of the business studies were performed using standard for 8 years (for example, Zahra[46]), reasons for the investment of more than 1 years and 5 years in management behavior between the two sides have to experience enough time, some memories of events in 5 years is very easy [47]. ventures has not been IPO and independent, mainly for reducing other interference consideration. Considering the general survey, and constraints of time and cost, this thesis focuses on the most concentrated in the region of Beijing, Shanghai, Shenzhen the 3 venture capital institutions, request the local government departments, industry associations or research institutions to help, random sampling with VC Funding agencies to investigate. In Hangzhou, Wuxi, Shenyang, Ningbo and Tianjin these venture capital institutions relatively few areas with the help of China venture capital institutions after sampling the direct link of venture capital institutions were investigated.

Study of 425 questionnaires, 151 questionnaires were recovered, the recovery rate was 35.52%. with missing values and does not meet the requirements of the sample is removed, altogether obtains 149 effective samples. Statistical tests corresponding through the questionnaire data, single variables showed no significant non normality, distribution characteristics of single variable basically in line with the multiple regression and structural equation model; independent samples T test showed that two groups of data of earlier and later answer does not exist significant differences; the common method bias test showed that the maximum characteristic root factor most can explain 13.970% of the variance, there is no common method bias. The descriptive statistics of the samples.

Tab. 2 Descriptive statistics of VC samples

sources of funds	number of enterprises / home	proportional/%
territory of natural capital	46	30.87
government funded	45	30.20
contribution of state-owned non bank financial institutions	30	20.13
contribution of state-owned financial institutions	26	17.45
foreign institutional investors	56	37.58
Foreign natural person investor	20	13.42

Tab. 3 Descriptive statistics of NE sample

industry	number of enterprises	proportional/%	industry	number of enterprises	proportional/%
software	33	22.15	nuclear application technology	0	0
computer hardware	8	5.37	new energy and energy saving	10	6.71
network	11	7.38	science and technology service	0	0
it service	2	1.34	other new and high technology	1	0.67
semiconductor and communication	4	2.68	manufacturing	16	10.74
environmental protection	4	2.68	agriculture	3	2.01
medical care	5	3.36	consumer products and services	2	1.34
biotechnology	3	2.01	other traditional non technology industry	3	2.01
new materials	11	7.38	financial services	22	14.77
resource	3	2.01	media and entertainment	5	3.36
integration of electronic	0	0	retail and wholesale	1	0.67
	2	1.34			

III. EMPIRICAL RESULTS AND DISCUSSION

Test of the validity and reliability

In the reliability test, followed by Anderson and Gerbing[48], using Cronbach a coefficients and confirmatory factor analysis to test the variance ratio R2. In the aspect of validity concept construction, according to the recommendations of the Kerlinger[49], we use confirmatory factor analysis (confirmatory factor analysis, CFA) for inspection. Cronbach a, the value protection variables to 0.818 variables for 0.801, value creation, enterprise performance variables to 0.933 variables, completeness of internal control system for 0.947 degree of freedom, management variables for 0.810. all of the variable Cronbach a is larger than 0.8 of the test, so the variable measurement items variance ratio of R2 were more than 0.50 acceptable values. In this paper, the value protection and value creation, enterprise performance and the internal control systems of completeness, the freedom of management are included in the structural equation model for CFA analysis, the results as shown in Table 4.5 models showed no

residual variance, negative too large residuals and large standard deviation. The standard is more appropriate, not more than 0.95 evaluation threshold. Due to rely solely on the chi square test may bring model inspection conclusion error [50], the fitting effect so we combined with other fit indices to the comprehensive judgment model. The main indexes of fitting results (the default model) are shown in Table 4, among them, the freedom of management model variable data point 6, the estimated parameter 6 a degree of freedom 0, model is just identified. So there is no need to test the model. The fitting effect. The results show that the measurement of 4 model fit the data well.5 variable has a high validity.

Tab. 4 Fitting results of CFA

Variabl es	CMIN	df	RMSE A	CFI	TLI
PRO	2.288	2	0.031	0.	0.996
CRE	20.034	9	0.032	0.	0.936
PER	16.264	9	0.066	0.	0.907
CON	10.721	5	0.054	0.	0.919

3.2 Correlation analysis and selection of alternative model

Table 5 shows the analysis test of normal distribution and Pearson correlation between main variables of the results using the two tailed test.

Tab. 5 Mean, SD and correlated coefficients

Variabl es	Mean	SD	1	2	3	4	5
PRO	4.19	1.460	1.00				
CRE	4.88	1.019	-0.77**	1.00			
PER	5.05	1.199	-0.04	0.16**	1.00		
CON	5.21	1.111	-0.37**	0.56**	0.27**	1.00	
DIS	5.02	1.136	0.48**	-0.38*	0.28**	-0.09	1.00

注: * p<0.05, ** p<0.01

Through the correlation analysis found that the value creation has certain correlation with the enterprise performance ($r = 0.16$, $P < 0.05$). The venture capital investment to help activities for research enterprise performance has attracted wide attention of scholars. Therefore, this paper is necessary to verify the value protection and corporate performance has a direct relationship. In addition, the regulatory action is added, there is debate [5] academic, so there is a direct link between the necessary verification value protection and enterprise performance exists. Intermediary effect into full intermediary (full mediation) and intermediate (partial mediation) [51]. alternative model is test completeness of freedom of management and internal control system is complete intermediary or intermediary. According to the procedure to test the mediating effect of Baron and Kenny, we will value protection and value creation and enterprise performance connection established alternative model.

In the theoretical model, the value protection and value creation is the completeness of the system and the management of internal degrees of freedom associated with corporate performance, completeness and freedom of management the system of internal control is the complete intermediary. Therefore, the theoretical model is a complete mediation model. The alternative model, the value protection and value creation not only through the the internal control system of the completeness and the freedom of management of new ventures indirectly affects the performance, but also has a direct impact on the performance of new venture. The alternative model is a part of the intermediary model. Note that in this alternative model, should pay more attention to the theoretical basis, and not rely solely on the data driven [52]. therefore, though in correlation analysis, there is also the connection path between completeness theory value protection, and the freedom of management of value creation and the system of internal

control, but because of the lack of theoretical literature support, and it has not joined the alternative model. On the alternative model were estimated. The relation between the value protection and value creation and enterprise performance is not significant. Therefore reject alternative model, and the choice of theoretical model.

Model test results L : The theoretical model has 300 data points, the number of parameters needed for 53 model free estimates for 247 degrees of freedom, based on model identification condition for Bollen[52], satisfies the necessary condition for model identification, parameter estimation and model evaluation can be carried out. But it should be pointed out that the inclusion model empirical the sample size is 149. Meets the requirements of ideal free estimation of parameters of sample size, impact fitting evaluation index may be susceptible to sample size effects on the chi square test, GFI, AGFI and so on.

Analysis of the measurement model structural equation of the governance performance. As shown in Table 6, the parameters in structural equation model to estimate the standard error values did not appear the phenomenon, this representation theory model did not violate the model identification rules. The standard model of the 5 latent variables and observed variables load coefficients were positive values are not beyond the 0.95 evaluation threshold, and all through the 0.001 level of significance test. Because of this, measurements of all the observed variables can be effectively used as its concept, measurement model passed the test. In addition, variance estimation results also show that the variance of all exogenous variables are positive, and all through the 0.001 level of significance test. In addition, the residuals were no residual variance negative, that did not violate the basic model fit test. To sum up, governance performance model by violating the estimation.

Tab. 6 Parameter estimation results of the model

route	estimated value	s. e.	c. r.	standardized	route	estimated value	s. e.	c. r.	standardized
DIS^CRE	0.928***	0.188	4.929	0.643	C5^CON	1.008***	0.077	13.	0.845
CON^PR	0.472***	0.097	4.880	0.460	D3—DIS	1.000			0.757
PER^CO	0.399***	0.099	4.027	0.341	D2—DIS	1.045***	0.127	8.201	0.788
PER^DIS	0.437***	0.118	3.713	0.343	DUIS	0.955	0.118	8.078	0.750
CRE(PRO	-0.461***	0.097	-4.741	-0.860	PER1^PER	1.000			0.876
A6^CRE	1.000			0.559	PER2^PER	0.959	0.064	15.	0.876
A5^CRE	1.008***	0.221	4.569	0.462	PER3^PER	1.091	0.063	17.	0.930
A4^CRE	1.391***	0.214	6.514	0.756	PER4^PER	1.011	0.073	13.	0.840
A3^CRE	1.548***	0.248	6.253	0.710	PER5^PER	0.	0.078	9.300	0.661
A2^CRE	1.153***	0.190	6.072	0.671	PER6^PER	0.	0.075	10.	0.723
AURE	1.560***	0.257	6.080	0.681	P4—PRO	1.000			0.695
CUON	1.000			0.840	P3—PRO	1.180	0.140	8.445	0.781
C2^CON	1.220***	0.076	15.	0.945	P2—PRO	1.093	0.139	7.880	0.756
C3^CON	1.229***	0.081	15.241	0.921	PURO	1.131	0.148	7.643	0.705
C4^CON	1.233***	0.088	13.	0.880					

注: **p<0.001

Table 6 gives the standardized path coefficients of AMOS estimation. The value protection and value creation are substitutes, path coefficient is -0.860 standard, through the 0.001 level of significance test, H1 supported. Influence of relationship value to protect the completeness of the internal control system is positive, path coefficient is 0.460, by 0.001. A level tests, H2 supported. Complete internal control system's effect on firm performance is, the standardized coefficient is 0.341, the 0.001 level of significance test, H3 supported. The value creation of management degree of freedom is, path coefficient is 0.643, the 0.001 significant level test, H4 supported. Influence of the freedom of management on firm performance is, path coefficient is 0.343, the 0.001 level of significance test, H5 supported.

Table 7 gives the fitting results. Among them, the default model (default model) as the set model, which fit the AMOS software model; saturation model (saturated model) has the least restrictive model AMOS can fit; independent model (independence model) is has the most restricted model AMOS fit. Related index of three kinds of model data is generated automatically

by AMOS. More independent and saturated models are usually used and the default model, used for the fitting degree detection model. The surface fitting index of 7, absolute fit index, chi square value (CMIN) / 1.939 degrees of freedom, meet the standard of 2 less than. Significant test p value is 0.037, reach a significant level, show that the fitting effect model to the actual data is not ideal. GFI index value is 0.811, AGFI index value is 0.769, is lower than the acceptable value of 0.90, two indicators and significant test p value as vulnerable to the sample size and the distribution characteristics. The effects of absolute fit index, PG- FI index value is 0.662, greater than the acceptable value 0.50; RMSEA index value is 0.080, less than 0.1 of the acceptable value; the default model of ECVI value is 3.953, less than the saturated model value 4.054, but The value is far less than the independent model of 19.138. value fit index, NFI index value is 0.919, IFI index value is 0.984, TLI index value is 0.977, CFI index value is 0.984, RFI index value is 0.907, are higher than the acceptable value 0.90; simple fit index, PGFI index value is 0.662, PNFI index value is 0.736, PCFI index value is 0.783, are higher than the acceptable value 0.50. default model of BIC and CAIC index values were less than the saturated model, value and far less than the independent model.

Tab. 7 Fitting index of the models

Fit indices	default model	saturated model	independent model	Fit indices	default model	saturated model	independent model
CMIN	475.056	0.000	2784.424	TLI	0.977		0.000
df	245	0	276	CFI	0.984	1.000	0.000
P	0.037		0.000	PNFI	0.736	0.000	0.000
CMIN/df	1.939		10.088	PCFI	0.806	0.000	0.000
GFI	0.811	1.000	0.267	RMR	0.104	0.000	0.500
AGFI	0.769		0.203	RMSEA	0.080		0.248
PGFI	0.662		0.246	ECVI	3.953	4.054	19.138
NFI	0.919	1.000	0.000	AIC	585.004	600.000	2832.424
RFI	0.907		0.000	BIC	607.361	721.951	2842.180
IFI	0.984	1.000	0.000	CAIC	805.221	1801.184	2928.519

Comprehensive table 7 results, in addition to the chi square test values of P, GFI and AGFI index of these sample index lower than that of model fitting degree acceptable requirements, absolute fit index, incremental fit index and simple adaptation index in most indicators have pass the acceptance value or acceptance conditions, showed that the model fitting effect is more ideal. To sum up, the model is well fitted.

IV. DISCUSSION

Governance of venture capital for new ventures eventually is conducive to enterprise growth, there is some debate in academic circles. The governance of venture capital, will indirectly affect new venture performance through the role that governance is conducive to enterprise growth. The results show that both the governance behavior protection value, or the value creation management behavior, will be by way of a certain role ultimately beneficial to improving the performance of new venture, in favor of the new venture growth. This not only responded to the study about venture capital value-added role Sapienza [5] scholar, using Chinese data and expanded the research results in this area, but also broaden the academic circles field of vision, will equal status value of value-added value protection and value creation to prove the value protection behavior may not be entrepreneurs welcome, but is conducive to enterprise growth. In addition to venture capital governance behavior this paper mainly studies the mechanism of new venture growth hypothesis is the actual data support, but also find the difference influence different governance behavior for the new venture performance. From there Fitting the governance performance model results after correction, the path coefficient on firm performance protection for the value of 0.405536 (0.928 x 0.437), path coefficient on the performance of enterprises to create value of 0.188328 (0.472 x 0.399). This difference in accordance with expectations for venture capital governance, after all, value creation is a relatively positive governance behavior the value of protection, belonging to the management behavior is relatively conservative, although on the growth of enterprises have a contribution, but the contribution extent differences.

Treatment experience of previous causal relationship between governance and performance aspects is rough, the governance behavior and performance as a black box, which is a contradiction of many empirical research conclusion important reasons. This paper proves that the intermediary role of internal control system of the completeness and freedom of management in the management behavior and corporate performance on the path, and proves that the complete intermediary effect. This was opened between governance and firm performance of black box, find the intermediary variable which way. If the freedom of management of new ventures industry executive team as the governance structure of new ventures will complete upper, internal control system as the governance structure of new ventures will be lower, new venture performance as the core goal of governance structure of new ventures, then the value protection behavior is more from the bottom of Shangdi to improve the performance of new venture, and value creation management behavior more is to improve the performance of new venture.

V. CONCLUSION

In this paper, based on the principal-agent theory, resource dependence theory and stewardship theory perspective, venture capital governance behavior into the value protection and value creation in two categories, and to examine the effects of path two corporate governance behavior and new venture performance in Chinese samples. The results show that the value of protection behavior and value creation management behavior the substitution effect. The value protection and value creation management behavior does not reflect the direct effect on the new venture performance, but through the internal management system and the degree of freedom for new business growth performance. The value of protecting internal system of governance behavior positively influence the new enterprises, and through the internal control system the completeness of positive influence the new venture growth performance; value creation management behavior positively influence the executive team of new venture management degrees of freedom, and through the management freedom positive impact on new venture growth performance. Through the intermediary variable, value creation and value protection governance behavior is positive effect on the new venture growth performance, value creation management behavior a higher degree of positive effect.

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